

18 June 1970

Project No. 51.5567

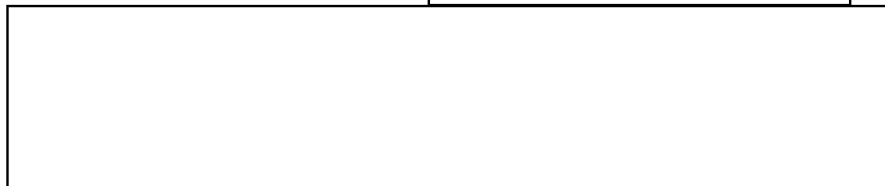
Economic and Military Reconstruction in North Vietnam
During May 1970

Introduction

This monthly report reviews developments in the reconstruction of fixed military facilities and industrial plants and new construction activities that are pertinent to North Vietnam's continuing support of the war and to economic recovery. [REDACTED]

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Industrial Reconstruction

2. Little significant improvement was noted in industrial reconstruction during the month.. Observed activity was limited primarily to the electric power sector, with minor repair work detected at the Ben Thuy, Thanh Hoa, Nam Dinh, and Hanoi powerplants. Recent photography has confirmed that a benchmark in the construction of the Thac Ba hydro-

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electric plant -- designed to be the largest powerplant in North Vietnam -- was reached in February with a start on damming the river. The river has been diverted through the powerhouse section of the project to facilitate the dam construction work. At least a year will be needed to finish the dam and to install the generating and transmission equipment.



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Agriculture

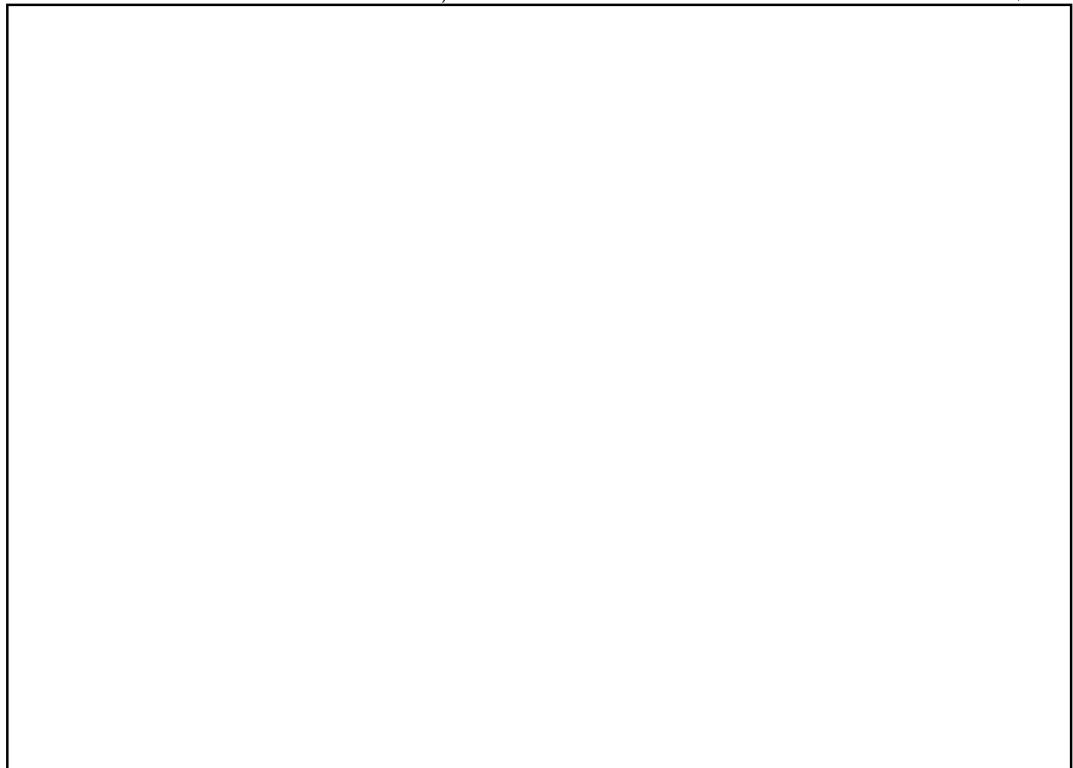
4. The regime promulgated a new grain procurement and distribution directive in May in an attempt to stimulate rice output and to stifle the marketing of grain on the Free Market. The grain procurement quota for each cooperative is to be based on the cooperative's performance during the last seven years and the quota is to be fixed for a period of five years. In previous years a successful harvest would often result

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in a higher government quota the following year.

5. The directive admonishes the peasants to avoid selling grain to private merchants, and to stop wasting and stealing State and cooperative grain. The peasants are advised to build up their stores of grain against possible crop short-falls because Government help will not be forthcoming in the future except in special cases. There has been no indication so far that the harsher terms of the directive have been implemented.

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11. Highlighting North Vietnam's economic relations with its

Socialist allies was the signing in late May of a supplement to Communist China's 1970 aid agreement in Peking. Public announcements indicate that the Chinese will supply Hanoi with additional economic and military grants; as in the past, no details were mentioned with regard to the value or the types of goods to be delivered. The low-level importance of the delegation, however, indicates that the additions are marginal and will not alter significantly the current Chinese aid program in North Vietnam.

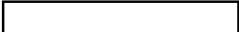
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Conclusions



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14. Industrial reconstruction during the month was limited. Work has begun on the main dam of the large hydroelectric powerplant at Thac Ba, but operation of the Soviet-assisted project is still at least a year away. A regime directive revealed a new program for raising agricultural production as well as for eliminating other problems accentuated by the US bombing campaign. 

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